

226 003

BEFORE THE SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35322

GEORGIA SOUTHERN RAILWAY CO.
- LEASE AND OPERATION EXEMPTION -
LINES OF GEORGIA MIDLAND RAILROAD, INC.
IN CRAWFORD, PEACH, HOUSTON, CANDLER, BULLOCH,
and SCREVEN COUNTIES, GEORGIA

and
OPERATION EXEMPTION
LINE OF HEART OF GEORGIA
IN TOOMBS, TREUTEN, EMANUEL and
JENKINS COUNTIES, GEORGIA

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 CFR 1150.31

NOTICE OF OPERATION OF RAIL LINES
INFORMATION REQUIRED BY 49 CFR 1150.43

ENTERED
Proc. of Proceedings
NOV 16 2009
Part of
Public Record

NOV 16 2009
FEE RECEIVED
SURFACE
TRANSPORTATION BOARD

FILED
NOV 16 2009
SURFACE
TRANSPORTATION BOARD

Daniel A. LaKemper, Esq.
General Counsel
Georgia Southern Railway Co.
1318 S. Johanson Road
Peoria, Illinois 61607
Tel.: (309) 697-1400
Fax: (309) 697-8486

Dated: November 16, 2009.

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO.35322

**GEORGIA SOUTHERN RAILWAY CO.
--LEASE AND OPERATION EXEMPTION-
LINES OF GEORGIA MIDLAND RAILROAD, INC.**

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LINE OF HEART OF GEORGIA
IN TOOMBS, TREUTEN, EMANUEL and
JENKINS COUNTIES, GEORGIA**

VERIFIED NOTICE OF EXEMPTION

Pursuant to 49 C.F.R. §1150.31, et. seq., Georgia Southern Railway Co. ("GASR"), a non-Carrier, hereby files this Verified Notice of Exemption to assume the leases and operate Georgia Midland Railroad Inc.'s rail liens, between Fort Valley, Georgia (Milepost N-29.7) and Perry, Georgia (Milepost 232.6), a distance of approximately 12.9 miles in Peach and Houston Counties, Georgia (the "Perry Line"); between Roberta, Georgia (Milepost 95.5FV), and Fort Valley, Georgia (Milepost 105.3FV), a distance of approximately 9.8 miles in Peach and Crawford Counties, Georgia (the "Roberta Line"); and between Dover, Georgia (Milepost W-57.5) and Metter, Georgia (Milepost W-86.7), a distance of approximately 29.2 miles in Candler, Bulloch and Screven Counties, Georgia (the "Metter Line"); and to operate a line, currently leased and operated by the

Heart of Georgia Railroad, Inc. between Midville, Georgia (Milepost 194.64) and Vidalia, Georgia (Milepost 152.2), a distance of approximately 42.4 miles in Toombs, Treuten, Emanuel and Jenkins County, Georgia, as shown on Exhibit A, attached hereto (collectively, the "Lines"). Based on projected revenues for the Lines, GASR expects to be a Class III rail carrier after consummation of the transaction proposed herein.

In accordance with the requirements of 49 C.F.R. §1150.43, GASR submits the following information:

Name and Address of Applicant: 49 C.F.R. §1150.43(a)

The full name and address of the applicant herein is as follows:

Georgia Southern Railway Co.
1318 S. Johanson Road
Peoria, Illinois 61607

Applicant's Representative: 49 C.F.R. §1150.43(b)

The name, address and telephone number of the representative of the applicant who should receive correspondence is as follows:

Daniel A. LaKemper, General Counsel
Georgia Southern Railway Co.
1318 S. Johanson Road
Peoria, Illinois 61607

Statement Concerning Agreement: 49 C.F.R. §1150.43(c)

GASR has reached agreement with Georgia Midland, Railroad, Inc. ("GMR") and Heart of Georgia Railroad, Inc. ("HOG"), and their parent company, Atlantic Western Transportation, Inc., providing for GASR to assume GMR's lease and operation of the Perry, Roberta and Metter Lines, being the rail lines leased from the Southwestern Rail Road Company ("SWRR"), The Central of

Georgia Railroad Company ("COG") and Norfolk Southern Railway Company ("NS"), See FD No. 34466, Served March 12, 2004 , Georgia Midland Railroad, Inc. – Acquisition and Operation Exemption – Ogeechee Railway Company; and for GASR to operate, under contract with HOG, the Midville Line which HOG leases from the State of Georgia Department of Transportation, See FD No. 34467, Served March 12, 2004 (Heart of Georgia Railroad, Inc., - Acquisition and Operation Exemption – Ogeechee Railway Company. HOG will not assign the Lease with the Georgia Department of Transportation, and HOG will remain the common carrier

Operation of the Property: 49 C.F.R. §1149.43(d)

GASR will operate, maintain and provide all rail common carrier services on the Perry, Roberta and Metter Lines, pursuant to the Lease Agreements with SWRR, COG and NS, and GASR will operate the Midville Line pursuant to an Operating Agreement with HOG.

Brief Summary of the Transaction: 49 C.F.R. §1150.43(e):

Pursuant to the Agreement, the Leases with the SWRR, COG and NS will be assigned to GASR, which proposes to lease, operate, maintain, and perform all common carrier service on the Perry, Roberta and Metter Lines. Pursuant to the Agreement, GASR and HOG will enter into an Operating Agreement, under which GASR will operate the Midville Line for HOG. The Lease for the Midville Line will not be assigned to GASR; HOG will remain the Lessee of the Midville Line. GASR is controlled by Pioneer Railcorp, See Finance Docket No. FD-34010, Served February 27, 2001 (Pioneer Railcorp – Continuance in Control Exemption – Gettysburg & Northern Railroad Co.). Simultaneous with this filing, Pioneer Railcorp has filed a Continuance in Control

Exemption in FD No. , to remain in control of GASR.

- (1) The name and address of the railroad transferring the subject property to the Class III rail carrier applicant:

Georgia Midland Railroad, Inc.
908 Elm Ave.
Americus, Georgia 31709

- (2) The proposed time schedule for consummation of the transaction:

Under the Agreement, consummation of this transaction will occur on December 16, 2009, and operations under this exemption will begin thereafter.

- (3) The mileposts of the subject property:

The Perry Line extends from Milepost N-29.7, at/near Fort Valley, Georgia to Milepost 232.6, at/near Perry, Georgia, a distance of approximately 12.9 miles in Peach and Houston Counties, Georgia;

The Roberta Line extends from Milepost 95.5FV, at/near Roberta, Georgia to Milepost 105.3FV, at/near Fort Valley, Georgia, a distance of approximately 9.8 miles in Peach and Crawford Counties, Georgia;

The Metter Line extends from Milepost W-57.5, at/near Dover, Georgia to Milepost W-86.7, at/near Metter, Georgia, a distance of approximately 29.2 miles in Candler, Bulloch and Screven Counties, Georgia;

The Midville Line extends from Milepost 194.6, at/near Midville, Georgia, to Milepost 152.2, at/near Vidalia, Georgia, a distance of approximately 42.4 miles in Toombs, Treuten, Emanuel and Jenkins County, Georgia,

(4) The total route miles being acquired:

The length of the mainline trackage of the Lines is approximately 94.3 miles.

Map: 49 C.F.R. §1150.43(f):

A map showing the Line and the surrounding trackage is attached as Exhibit A of this Notice.

Certificate of Compliance: 49 C.F.R. §1150.43(g):

A Certificate of Compliance with the provisions of 49 C.F.R. §1150.33(g) is attached as Exhibit B to this Notice.

Environmental and Historic Preservation Data: 49 C.F.R. §1105:

Under 49 C.F.R. §1105(c)(2), GASR's proposed lease and operation of the Line is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5).

Under 49 C.F.R. §1105.8(b)(1), GASR's lease and operation of the Line is also exempt from historic preservation reporting requirements. The proposed lease is for the purpose of continued rail operations. Further Surface Transportation Board approval is required to discontinue or abandon service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 C.F.R. §1150.44:

A caption summary in appropriate form is attached as Exhibit C to this Notice.

Pursuant to 49 USC §10902(d), no labor protection is required by the action described in this Notice. The Applicant certifies that the projected annual revenue on the Lines is less than \$1 Million.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel A. LaKemper". The signature is fluid and cursive, with the first name "Daniel" and last name "LaKemper" clearly distinguishable.

Daniel A. LaKemper, Esq.
Georgia Southern Railway Co.
1318 S. Johanson Road
Peoria, Illinois 61607
Tel.: (309) 697-1400

EXHIBIT A
MAP

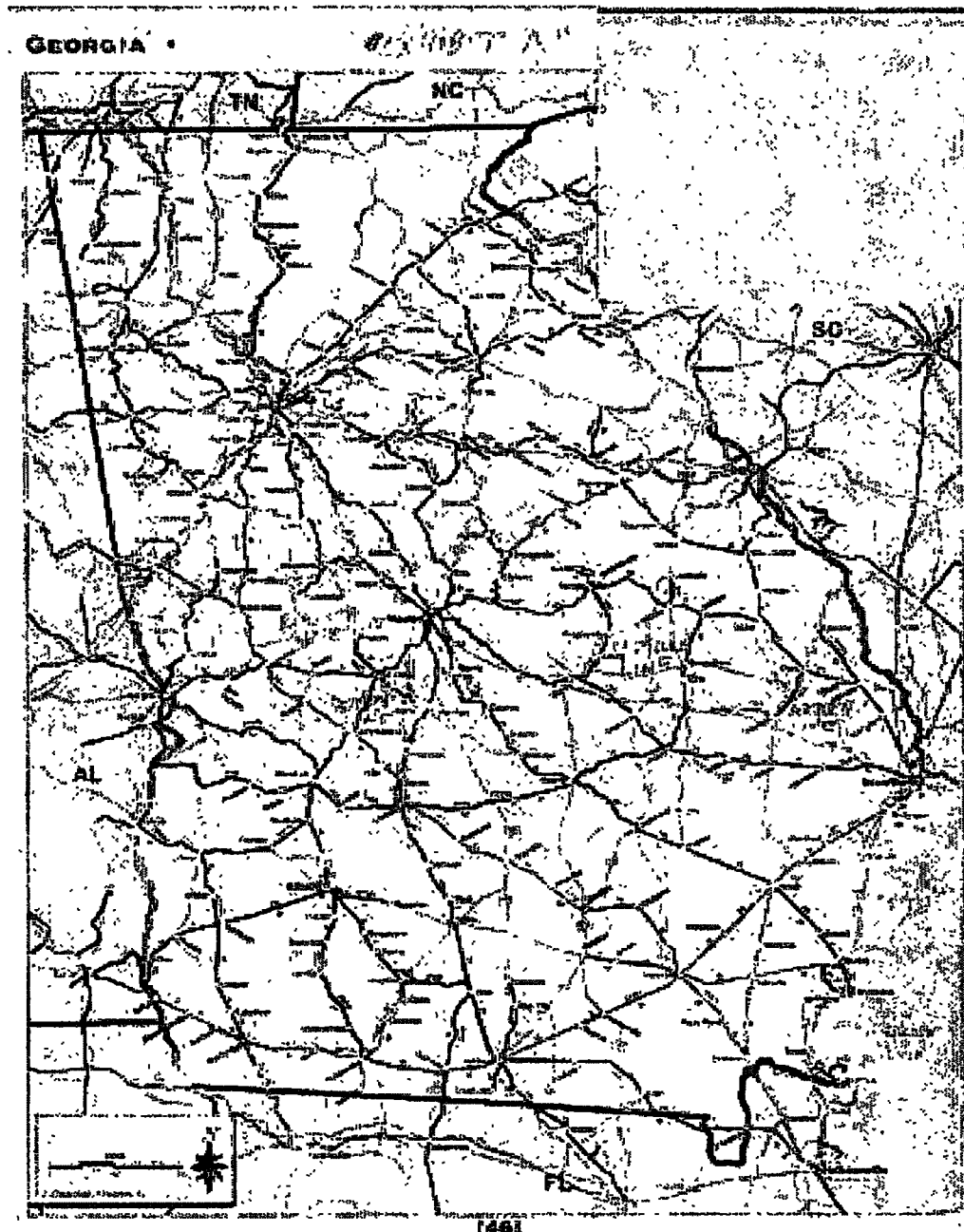


EXHIBIT B

STATE OF ILLINOIS)
) ss
COUNTY OF PEORIA)

VERIFICATION AND
CERTIFICATE OF COMPLIANCE

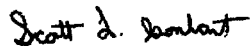
J. Michael Carr, being first duly sworn, deposes and states that:

I am the President and Chief Financial Officer of applicant Georgia Southern Railway Co.
I have read the foregoing Notice of Exemption; that am familiar with the facts stated therein
and that the contents thereof are true and correct to the best of my knowledge and belief
I hereby certify that the applicant's projected revenues as a result of the transaction will
not result in the creation of a Class II or Class I rail carrier so as to require processing under
§1150.45.



J. Michael Carr, President

Subscribed and sworn to
Before me this 16th day of November, 2009



Notary Public

EXHIBIT C
CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

Finance Docket No. 35322

GEORGIA SOUTHERN RAILWAY CO.
-LEASE AND OPERATION EXEMPTION-
LINES OF GEORGIA MIDLAND RAILROAD, INC.
IN CRAWFORD, PEACH, HOUSTON, CANDLER,
BULLOCH and SCREVEN COUNTIES, GEORGIA
and
OPERATION EXEMPTION
LINE OF HEART OF GEORGIA RAILROAD, INC.
IN TOOMBS, TRUESTLE, EMANUEL
and JENKINS COUNTIES, GEORGIA

Georgia Southern Railway Co. has filed a notice of exemption to lease and operate the Perry, Roberta and Metter Lines currently operated by Georgia Midland Railroad, Inc., in Crawford, Peach, Houston, Candler, Bullock and Screven Counties, Georgia, and to operate the Midville Line, leased by Heart of Georgia Railroad, Inc. in Toombs, Truetlen, Emanuel and Jenkins Counties, Georgia. Comments must be filed with the Board and served upon Petitioner's representative, Daniel A. LaKemper, 1318 S. Johanson Road, Peoria, Illinois 61607.

The notice is filed under 49 CFR 1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.

Dated:

By the Board,
Anne K. Quinlan,
Acting Secretary.